

Bosse, Brian

From: Vermillion, Todd [Todd.Vermillion@dof.ca.gov]
Sent: Friday, May 04, 2012 3:06 PM
To: Bosse, Brian
Cc: Aguilar, Marck; geis@co.santa-barbara.ca.us; Scott, Robert; DeAngelis, Jenny
Subject: IROPS Review - City of Santa Barbara

Mr. Bosse,

The California Department of Finance reviewed your recently submitted Initial Recognized Obligation Payment Schedule (IROPS) dated March 29, 2012 and documents submitted from an email request. Health and Safety Code section 34171 (d) lists characteristics of enforceable obligations. Based on our review of the Initial ROPS and supporting documents, the following items do not meet the characteristics of an enforceable obligation and should not be reported on your final Recognized Obligation Payment Schedule.

- HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence. Therefore the following items are not enforceable obligations (EO):
 - Line item #11, Page 1: CCRP Restorative Policing & Safety \$823,966. Funds are pledged to the city for reimbursement which is considered a loan.
 - Line item #24, page 3: Downtown sidewalk Improvements for \$2,175,000
 - Line #36, Page 4: Library Renovation for \$550,000
- HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence. Obligation amount listed on ROPS is not fully supported by signed contracts with third parties. The following items are not EO's:
 - Line item #12, Page 1: Chase Palm Park Lighting/Electrical up-grade \$560,000
 - Line item #15, page 2: Police Department Headquarters Construction \$14,174,370.
 - Line item #19, page 2: Library Plaza Renovation \$2,087,869.
 - Line item #22, page 3: Community Arts Workshop \$1,000,000.
 - Line item #37, page 4: Plaza de la Guerra Infrastructure Improvements for \$2,400,000
 - Line item #38 and #39, page 5: West Downtown Lighting Project – phase II and III for \$750,000 each.
- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for the following line items were awarded after June 27, 2011:
 - Line item #13, page 2: Plaza del Mar Restroom Renovation \$212,000
 - Line item #14, page 2: Pershing Park Restroom Renovation \$120,000
- Obligation amount listed on ROPS is not fully supported by signed contracts with third parties for the following:
 - Line item #18, page 2: Parking Lot Construction Fund \$218,320

- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence. Therefore the following item(s) are not an EO.
 - Line item # 21, page 3: Cabrillo Pavilion Arts Center Assessment Study for \$6,550,000
- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Obligation listed on ROPS is not fully supported by signed contracts with third parties for the following:
 - Line item #20, page 2: Lower West Downtown Street Lights Phase 1 for \$448,889
 - Line item #31, page 4: Helena Parking Lot Construction Development Agreement Obligation for \$500,000
- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. There are no contracts with a third party executed prior to this date that establishes an EO.
 - Line item # 28, page 3: Chase Palm Park Wisteria Arbor for \$835,000
 - Line item #29, page 3: Lower State Street Sidewalk Renovation for \$335,000
 - Line item #35, page 4: Mission Creek Flood Control Improvements at Train Depot for \$2,500,000
 - Line item #40, page 5: Chase Palm Park Restroom Renovation for \$188,862
- HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Obligation amount listed on ROPS is not fully supported by signed contracts with third parties. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.
 - Line item #42, page 5, for the following:
 - 911 Call Center Design for \$185,460
 - 911 call Center Construction for \$2,000,000
 - Police Department Design for \$3,640,170

If you believe we have reached this conclusion in error, please provide an explanation why you believe the above meet the definition of an enforceable obligation and provide supporting documentation.

Sincerely,

Todd Vermillion, Analyst
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